CITY OF RANCHO MIRAGE

DEVELOPMENT IMPACT FEE NEXUS ANALYSIS

FINAL DRAFT

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Executive Summary

This report summarizes an analysis of development impact fees needed to support future development in the City of Rancho Mirage through 2040. It is the City's intent that the costs representing future development's share of public facilities and capital improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis are divided into the fee categories listed below:

- General Government Facilities;
- Fire Facilities;
- Transportation Facilities;
- Parks and Recreation Facilities; and,
- Library Facilities; and,
- Infrastructure Undergrounding.

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. Although growth also imposes operating costs, there is not a similar system to generate revenue from new development for services. The primary purpose of this report is to calculate and present fees that will enable the City to expand its inventory of public facilities, as new development creates increases in service demands.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act (*the *Act)*, contained in *California Government Code* Sections 66000 *et seq*. This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

All development impact fee-funded capital projects should be programmed through the City's Capital Improvement Plan (CIP). Using a CIP can help the City identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City can help ensure a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

Facility Standards and Costs

There are three approaches typically used to calculate facilities standards and allocate the costs of planned facilities to accommodate growth in compliance with the *Mitigation Fee Act* requirements.

The **system plan** approach is based on a master facilities plan in situations where the needed facilities serve both existing and new development. This approach allocates existing and planned facilities across existing and new development to determine new development's fair share of facility needs. This approach is used when it is not possible to differentiate the benefits of new facilities between new and existing development. Often the system plan is based on increasing facility standards, so the City must find non-impact fee revenue sources to fund existing development's fair share of planned facilities. In this report, this approach is used for the fire facility fees and the infrastructure undergrounding fees.

The **planned facilities** approach allocates costs based on the ratio of planned facilities that serve new development to the increase in demand associated with new development. This approach is appropriate when specific planned facilities that only benefit new development can be identified, or when the specific share of facilities benefiting new development can be identified. Examples include street improvements to avoid deficient levels of service or a sewer trunk line extension to a previously undeveloped area. This approach is used for the transportation facility fees in this report.

The **existing inventory** approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. This approach is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the City's annual capital improvement plan and budget process and/or completion of a new facility master plan. This approach is to calculate the general government, parks and recreation, and library facilities fees in this report.

Use of Fee Revenues

Impact fee revenue must be spent on new facilities or expansion of current facilities to serve new development. Facilities can be generally defined as capital acquisition items with a useful life greater than five years. Impact fee revenue can be spent on capital facilities to serve new development, including but not limited to: land acquisition, construction of buildings, the acquisition of vehicles or equipment, information technology, software licenses and equipment.

Development Impact Fee Schedule Summary

Table E.1 summarizes the development impact fees that meet the City's identified needs and comply with the requirements of the *Mitigation Fee Act*.

Table E.1: Maximum Justified Impact Fee Summary

Land Use	General Government Facilities	Fire Protection Facilities	Transportation Facilities	Park and Recreation Facilities	Library Facilities	Infrastructure Undergrounding[1]	Total - Maximum Justified Impact Fees
Residential - Fee per Dwelling Unit							
Single Family Unit	$ 1,017	$ 460	$ 4,222	$ 1,761	$ 1,174	$ 277	$ 8,911
Multifamily Unit	812	367	2,601	1,406	937	277	6,400
Nonresidential - Fee per 1,000 Sq. Ft.							
Commercial	$ 634	$ 637	$ 5,768	$ -	$ -	$ 277	$ 7,316
Office	828	831	6,861	-	-	277	8,797
Industrial	308	310	905	-	-	277	1,800

[1] Fee charged per dwelling unit or per business.

Sources: Tables 3.4, 4.5, 5.10, 6.7, 7.6 and 8.3.

Other Funding Needed

Impact fees may only fund the share of public facilities related to new development in Rancho Mirage. They may not be used to fund the share of facility needs generated by existing development or by development outside of the City. As shown in **Table E.2,** approximately $44.5 million in additional funding will be needed to complete the facility projects the City currently plans to develop. The "Additional Funding Required" column shows non-impact fee funding required to fund a share of the improvements partially funded by impact fees. Non-fee funding is needed because these facilities are needed partially to remedy existing deficiencies and partly to accommodate new development.

The City will need to develop alternative funding sources to fund existing development's share of the planned facilities. Potential sources of revenue include but are not limited to: existing or new general fund revenues, existing or new taxes, special assessments, and grants.

Table E.2: Non-Impact Fee Funding Required

Fee Category	Net Project Cost	Projected Impact Fee Revenue	Additional Funding Required
General Government	$ 7,840,000	$ 7,840,000	$ -
Fire	9,824,100	4,750,000	5,074,100
Transportation	70,523,780	35,255,495	35,268,285
Parks and Recreation	9,964,640	9,964,640	-
Library Facilities	6,611,826	6,611,826	-
Infrastructure Undergrounding	5,583,600	1,442,960	4,140,640
Total	$ 110,347,946	$ 65,864,921	$ 44,483,025

Sources: Tables 3.5, 4.3, 4.6, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8, 6.5, 7.4 and 8.2.

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in the City of Rancho Mirage. This chapter provides background for the study and explains the study approach under the following sections:

- Public Facilities Financing in California;
- Study Objectives;
- Fee Program Maintenance;
- Study Methodology; and
- Organization of the Report.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing ratepayers and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require the approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development impact fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development impact fees need only a majority vote of the legislative body for adoption.

Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to establish the City's impact fees based on the most current available facility plans and growth projections. The proposed fees will enable the City to expand its inventory of public facilities as new development leads to increases in service demands. This report supports the General Plan policy stated above.

The City imposes public facilities fees under authority granted by the Mitigation Fee Act (the Act), contained in California Government Code Sections 66000 et seq. This report provides the necessary findings required by the Act for adoption of the fees presented in the fee schedules presented in this report.

Rancho Mirage is forecast to moderate growth through this study's planning horizon of 2040. This growth will create an increase in demand for public services and the facilities required to deliver them. Given the revenue challenges described above, Rancho Mirage has decided to use a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to update the City's existing fee program to ensure that the fee program accurately represents the facility needs resulting from new development.

Fee Program Maintenance

Once a fee program has been adopted it must be properly maintained to ensure that the revenue collected adequately funds the facilities needed by new development. To avoid collecting inadequate revenue, the inventories of existing facilities and costs for planned facilities must be updated periodically for inflation, and the fees recalculated to reflect the higher costs. The use of established indices for each facility included in the inventories (land, buildings, and equipment), such as the *Engineering News-Record*, is necessary to accurately adjust the impact fees. For a list of recommended indices, see Chapter 9.

While fee updates using inflation indices are appropriate for annual or periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, it is recommended to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. For further detail on fee program implementation, see Chapter 9.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for City office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.

- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the **system plan method**, the **planned facilities method,** and the **existing inventory method**. Often the method selected depends on the degree to which the community has engaged in comprehensive facility master planning to identify facility needs.

The formula used by each approach and the advantages and disadvantages of each method is summarized below:

System Plan Method

This method calculates the fee based on: the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities + Cost of Planned Facilities}}{\text{Existing + New Development Demand}} = \$/\text{unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in General Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This approach is used for the fire facility and infrastructure undergrounding fees in this report.

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method, new development funds the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process, possibly after completion of a new facility master plan. This approach is to calculate the general government, parks and recreation, and library facility fees in this report.

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a Wastewater trunk line extension to a previously undeveloped area. An example of the latter is expansion of an existing library building and book collection, which will be needed only if new development occurs, but which, if built, will in part benefit existing development, as well. Under this method, new development funds the expansion of facilities at the standards used in the applicable planning documents. This approach is used for the transportation facility fees in this report.

Organization of the report

The determination of a public facilities fee begins with the selection of a planning horizon and development of growth projections for population and employment. These projections are used throughout the analysis of different facility categories and are summarized in Chapter 2.

Chapters 3 through 8 identify facility standards and planned facilities, allocate the cost of planned facilities between new development and other development, and identify the appropriate development impact fee for each of the following facility categories:

- General Government Facilities;
- Fire Facilities;
- Transportation Facilities;
- Parks and Recreation Facilities; and,
- Library Facilities; and,
- Infrastructure Undergrounding.

Chapter 9 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code* Sections 66016 through 66018.

The five statutory findings required for adoption of the proposed public facilities fees in accordance with the Mitigation Fee Act are documented in Chapter 10.

2. Growth Forecasts

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2018 base year and a planning horizon of 2040.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2018 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2040 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth and remedy existing facility deficiencies, if any.
- Estimates of growth from 2018 through 2040 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types that impact fees have been calculated for are defined below.

- **Single family:** Detached and attached one-unit dwellings on individually owned lots.
- **Multi-family:** All attached multi-family dwellings including duplexes and condominiums.
- **Commercial:** All commercial and retail development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All business park, manufacturing and other industrial development.

Some developments may include more than one land use type, such as a mixed-use development with both multi-family and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The City has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in Rancho Mirage, both in 2018 and in 2040. The base year estimates of residents and dwelling units comes from the California Department of Finance. Future resident and dwelling unit estimates are based on data from the City's 2017 General Plan Land Use Element.

Base year employees identified by the U.S. Census Bureau, OnTheMap Application for 2015, the latest data available. Total projected workers in 2040 identified in the Southern California Association of Government's (SCAG) Integrated Growth Forecast from the 2016-2040 Regional Transportation Plan (RTP), allocated to land use categories using current proportions.

Table 2.1: Demographic Assumptions

	2018	2040	Increase
Residents[1]	18,700	25,573	6,873
Dwelling Units[2]			
Single Family	12,037	14,975	2,938
Multifamily	2,455	4,300	1,845
Total	14,492	19,275	4,783
Building Square Feet (000s)[3]			
Commercial	2,242	3,785	1,543
Office	2,107	3,557	1,450
Industrial	122	207	84
Total	4,472	7,549	3,078
Employment[4]			
Commercial	5,359	9,047	3,688
Office	6,574	11,098	4,524
Industrial	142	240	98
Total	12,075	20,384	8,309

Note: Figures have been rounded to the hundreds.

[1] Current household population from California Department of Finance (DOF). 2040 projection from 2017 General Plan.

[2] Current values from DOF. Increase in dwelling units from the City's 2017 General Plan to Buildout.

[3] Equivalent building square footage estimated by dividing employees by occupancy density factors.

[4] Base year identified for the City of Rancho Mirage from onthemap.ces.census.gov. 2040 from SCAG RTP Growth Forecast allocated to land use categories based on current proportions. Excludes local government employees.

Sources: California Department of Finance (DOF), Table E-5, 2018; 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction; Willdan Financial Services.

Occupant Densities

All fees in this report are calculated based on dwelling units, building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per dwelling unit or workers per building square foot) are the most appropriate characteristics to use for most impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

The average occupant density factors used in this report are shown in **Table 2.2**. The residential occupant density factors for both the various types of dwelling units were calculated using the most recently available data from US Census' American Community Survey specific to the City of Rancho Mirage. Table B25033 identifies the estimated population, by type of dwelling unit. Table B25024 identifies the total amount of dwelling units, by type. The occupant densities resulting from dividing the population by the corresponding dwelling unit type is shown in Table 2.2.

The nonresidential occupancy factors are based on occupancy factors found in the *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments by The Natelson Company. Though not specific to Rancho Mirage, the Natelson study covered employment density over a wide array of land use and development types, making it reasonable to apply these factors to other areas. The specific factors used in this report are for developing suburban areas, as defined by the Natelson study.

Table 2.2: Occupant Density

Residential		
Single Family	1.19	Residents Per Dwelling Unit
Multifamily	0.95	Residents Per Dwelling Unit
Nonresidential		
Commercial	2.39	Employees per 1,000 square feet
Office	3.12	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Tables B25024 and B25033; The Natelson Company, Inc., Employment Density Study Summary Report, prepared for the Southern California Association of Governments, October 31, 2001, SCAG region data; Willdan Financial Services.

3. General Government Facilities

The purpose of the fee is to ensure that new development funds its fair share of general government facilities. A fee schedule is presented based on the existing facilities standard of general government facilities in the City of Rancho Mirage to ensure that new development provides adequate funding to meet its needs.

Service Population

General government facilities serve both residents and businesses. Therefore, demand for services and associated facilities are based on the City's service population including residents and workers.

Table 3.1 shows the existing and future projected service population for general government facilities. While specific data is not available to estimate the actual ratio of demand per resident to demand by businesses (per worker) for this service, it is reasonable to assume that demand for these services is less for one employee compared to one resident, because nonresidential buildings are typically occupied less intensively than dwelling units. The 0.31-weighting factor for workers is based on a 40-hour workweek divided by the total number of non-work hours in a week (128) and reflects the degree to which nonresidential development yields a lesser demand for general government facilities.

Table 3.1: General Government Facilties Service Population

	A	B	C = A + (B x 0.31)
	Residents	**Workers**	**Service Population**
Existing (2018)	18,700	12,075	22,400
New Development (2018-2040)	6,873	8,309	9,400
Total (2040)	25,573	20,384	31,800
Weighting factor[1]	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Source: Table 2.1; Willdan Financial Services.

Facility Inventories and Standards

This section describes the City's general government facility inventory and facility standards.

Existing Inventory

This study uses the existing standard methodology to calculate fees for general government facilities. The City's general government facilities inventory consists of administrative space at City Hall and a corporation yard and is listed in **Table 3.2**. The unit cost for the land value assumption of $468,000 per acre was based on recent sales comparisons in the City provided by Loopnet.com. Building valuations are based on data from an insurance valuation report for the City. The City' also

owns a vehicle fleet, detailed in **Appendix Table A.1.** The total value of the City's existing inventory of general government facilities is $18.7 million.

Table 3.2: General Government Facilities Inventory

Description	Quantity	Units	Unit Cost	Total Value
City Hall - 69-825 Highway 111				
Land	4.50	acres	$ 468,000	$ 2,106,000
Building	35,470	Sq. Ft.	270	9,563,000
Subtotal				$ 11,669,000
Corporation Yard - 72-201 Manufacturing Road				
Land	7.30	acres	$ 468,000	$ 3,416,400
Office and Warehouse Building	20,954	Sq. Ft.	106	2,223,600
Subtotal				$ 5,640,000
Vehicles (Appendix Table A.1)				$ 1,371,900
Total Existing Value - General Government Facilities				$ 18,680,900

Sources: Loopnet.com; An Insurance Valuation Report of Tangible Property Assets for City of Rancho Mirage as of March 11, 2015; City of Rancho Mirage; Willdan Financial Services.

Cost Allocation

Table 3.3 calculates the City's existing per capita investment in general government facilities. This value is calculated by dividing value of the City's existing facility inventory by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.31 to determine the value per worker.

Table 3.3: General Government Facilities Existing Standard

Value of Existing Facilities	$	18,680,900
Existing Service Population		22,400
Cost per Capita	$	834
Facility Standard per Resident	$	834
Facility Standard per Worker[1]		259

[1] Based on a weighing factor of 0.31.

Sources: Tables 3.1 and 3.2, Willdan Financial Services.

Fee Schedule

Table 3.4 shows the maximum justified general government fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. It should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 3.4: General Government Facilities Fee - Existing Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 2.0% Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential						
Single Family Unit	$ 834	1.19	$ 992	$ 25	$ 1,017	
Multifamily Unit	834	0.95	792	20	812	
Nonresidential						
Commercial	$ 259	2.39	$ 619	$ 15	$ 634	$ 0.63
Office	259	3.12	808	20	828	0.83
Industrial	259	1.16	300	8	308	0.31

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 3.3; Willdan Financial Services

Fee Revenue Projection

The City plans to use general government facilities fee revenue to construct improvements to add to the system of administrative and public works facilities to serve new development. **Table 3.5** details a projection of fee revenue, based on the service population growth increment identified in Table 3.1.

Table 3.5: Revenue Projection - Existing Standard

Cost per Capita	$	834
Growth in Service Population (2018- 2040)		9,400
Fee Revenue	$	7,840,000

Sources: Tables 3.1 and 3.3.

4. Fire Facilities

The purpose of the fire impact fee is to fund the fire facilities needed to serve new development. A proposed fee is presented based on the system plan standard of fire facilities per capita.

Service Population

Fire facilities are used to provide services to both residents and businesses. The service population used to determine the demand for fire facilities includes both residents and workers. **Table 4.1** shows the current fire facilities service population and the estimated service population at the planning horizon of 2040.

To calculate service population for fire protection facilities, residents are weighted at 1.00. A worker is weighted at 0.69 of one resident to reflect the lower per capita need for fire services associated with businesses. The specific 0.69 per worker weighting used here is derived from an extensive study carried out by planning staff in the City of Phoenix. Data from that study is used to calculate a per capita factor that is independent of land use patterns. It is reasonable to assume that relative demand for fire service between residents and workers does not vary substantially on a per capita basis across communities, enabling the use of this data in other communities in the documentation of a fire facilities impact fee.

Table 4.1: Fire Facilities Service Population

	A	*B*	*C = A + (B x 0.69)*
	Residents	**Workers**	**Service Population**
Existing (2018)	18,700	12,075	27,000
New Development (2018-2040)	6,873	8,309	12,600
Total (2040)	25,573	20,384	39,600
Weighting factor[1]	1.00	0.69	

[1] Service population weighting factors based on City of Phoenix service call data weighted by the relative proportions of residential and nonresidential land use in the City, allowing the results of this survey to be applied in other areas.

Source: Tables 2.1; City of Phoenix, AZ.

Facility Inventories and Standards

This section describes the City's fire facility inventory and facility standards.

Existing Inventory

Table 4.2 summarizes the City's current inventory of land, apparatus and vehicles. Fire protection services are provided from two stations located throughout the City. The unit cost for the land value assumption of $468,000 per acre was based on recent sales comparisons in the City provided by Loopnet.com. Building valuations are based on data from an insurance valuation report for the City. In total, the City owns approximately $5.1 million in fire protection facilities.

Table 4.2: Existing Fire Facilities Land and Building Inventory

	Inventory	Units	Unit Cost	Value
Land (acres)				
Fire Station #50 - 70-800 Highway 111	2.06	acres	$ 468,000	$ 964,080
Fire Station #69 - 751 Gerald Ford Drive	1.00	acres	468,000	468,000
Subtotal	3.06			$ 1,432,080
Buildings (square feet)				
Fire Station #50 - 70-800 Highway 111	8,500	Sq. Ft.	$ 205	$ 1,742,100
Fire Station #69 - 751 Gerald Ford Drive	6,708	Sq. Ft.	195	1,311,400
Subtotal	15,208	Sq. Ft.		$ 3,053,500
Vehicles				
FD05 - 2009 Honda Civic - Hybrid				$ 25,000
FD06 - 2007 Chev Ambulance				200,000
FD07 - 2016 Ram 4500 4x2				167,000
FD08 - 2016 Dodge Ambulance				200,000
2015 GEM-Ambulance				22,000
Subtotal - Vehicles				$ 614,000
Total Value of Existing Facilities				$ 5,099,580

Sources: Loopnet.com; An Insurance Valuation Report of Tangible Property Assets for City of Rancho Mirage as of March 11, 2015; City of Rancho Mirage; Willdan Financial Services.

Planned Facilities

Table 4.3 summarizes the planned facilities needed to serve the City through 2040, as identified by the City. The City plans to construct and additional fire station, and to purchase two additional vehicles Facilities costs are estimated to total approximately $9.8 million through 2040.

Table 4.3 Planned Fire Facilities

Description	Quantity	Units	Unit Cost	Total Cost
Future Fire Station				
Land	3.00	Acres	$468,000	$ 1,404,000
Buildings[1]				7,483,300
Subtotal				$ 8,887,300
Vehicles and Apparatus				
Medic engine with ALS and firefighting equipment				$ 577,400
ALS medic unit and related equipment				359,400
Subtotal				$ 936,800
Total Cost - Planned Facilities				$ 9,824,100

[1] Based on 2013 costs, adjusted to 2018 using ENR's Construction Cost Index. Rounded to the nearest hundred.

Sources: City of Rancho Mirage; Engineering News Record's Construction Cost Index; Willdan Financial Services.

Cost Allocation

Table 4.4 shows new development's projected per capita investment in fire protection facilities at the planning horizon, under the system standard. This value is calculated by dividing cost of existing and planned facilities by the service population at the planning horizon. The value per capita is multiplied by the worker weighting factor of 0.69 to determine the value per worker.

Table 4.4: Fire Protection Facilities System Standard

Value of Existing Facilities	$	5,099,580
Value of Planned Facilities		9,824,100
Total System Value (2040)	$	14,923,680
Future Service Population (2040)		39,600
Cost per Capita	$	377
Facility Standard per Resident	$	377
Facility Standard per Worker[1]		260

[1] Based on a weighing factor of 0.69.

Sources: Tables 4.1, 4.2 and 4.3; Willdan Financial Services.

Use of Fee Revenue

The City can use fire facilities fee revenues for the cost to expand capacity at existing facilities and construction or purchase of buildings, land, vehicles, apparatus and fire protection equipment that are part of the system of fire facilities serving new development. A list of planned facilities is included in Table 4.3.

Fee Schedule

Table 4.5 shows the proposed fire protection facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space). The total fee includes a two percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. It should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 4.5: Fire Protection Facilities Fee - System Standard

	A	*B*	*C = A x B*	*D = C x 2.0%*	*E = C + D*	*F = E / 1,000*
Land Use	**Cost Per Capita**	**Density**	**Base Fee[1]**	**Admin Charge[1, 2]**	**Total Fee[1]**	**Fee per Sq. Ft.**
Residential						
Single Family	$ 377	1.19	$ 449	$ 11	$ 460	
Multifamily	377	0.95	358	9	367	
Nonresidential						
Commercial	$ 260	2.39	$ 621	$ 16	$ 637	$ 0.64
Office	260	3.12	811	20	831	0.83
Industrial	260	1.16	302	8	310	0.31

[1] Persons per dwelling unit or per 1,000 square feet of nonresidential.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 4.4; Willdan Financial Services.

Non-Fee Funding Required

Completing the planned facilities will provide a higher value of facilities per capita than is currently provided in Rancho Mirage. Impact fee revenue may not be used to increase the level of service provided to existing development. Therefore, impact fee revenue will not fully fund the planned fire protection facilities and some non-fee funding will be required. **Table 4.6** shows the projected fee revenue and the non-fee funding required through 2040. After accounting for the projected future

impact fee revenue approximately $5.1 million in non-fee funding will be needed to complete the planned fire protection facilities.

The City will need to use alternative funding sources to fund existing development's share of the planned fire protection facilities. Potential sources of revenue include but are not limited to existing or new general fund revenues, existing or new taxes, special assessments, and grants.

Table 4.6: Revenue Projection - System Standard

Cost per Capita	$	377
Growth in Service Population (2018 - 2040)		12,600
Fee Revenue	$	4,750,000
Cost of Planned Facilities	$	9,824,100
(Less: Fee Revenue)		4,750,000
Non-Fee Revenue to Be Identified	$	5,074,100

Sources: Tables 4.1, 4.3 and 4.4.

5. Transportation Facilities

This chapter summarizes an analysis of the need for transportation facilities to accommodate new development. The chapter documents a reasonable relationship between new development and the impact fee for funding of these facilities.

Trip Demand

The need for transportation facilities is based on the trip demand placed on the system by development. A reasonable measure of demand is the number of average daily vehicle trips, adjusted for the type of trip. Vehicle trip generation rates are a reasonable measure of demand on the City's system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.

The two types of trips adjustments made to trip generation rates to calculate trip demand are described below:

- Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- The trip generation rate is adjusted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

Table 5.1 shows the calculation of trip demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the San Diego region by the San Diego Association of Governments. The surveys provide one of the most comprehensive databases available of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses. Urban development patterns in San Diego and the City of Rancho Mirage are similar enough to warrant the use of this data as a means of allocating trips across multiple land use categories. It should be noted that the projections of current and future trip generation in this report are based on data specific to the City of Rancho Mirage.

Table 5.1: Trip Rate Adjustment Factors

	Primary Trips[1]	Diverted Trips[1]	Total Excluding Pass-by[1]	Average Trip Length[2]	Adjust-ment Factor[3]	ITE Category	PM Peak Hour Trips[4]	Trip Demand Factor[5]
	A	*B*	*C = A + B*	D	*E = C x D*		*F*	*G = E x F*
Residential								
Single Family	86%	11%	97%	7.9	1.11	Single Family Housing (210)	1.01	1.12
Multi-family	86%	11%	97%	7.9	1.11	Apartment (220)	0.62	0.69
Nonresidential								
Commercial	47%	31%	78%	3.6	0.41	Shopping Center (820)	3.73	1.53
Office	77%	19%	96%	8.8	1.22	General Office Building (710)	1.49	1.82
Industrial	79%	19%	98%	9.0	1.28	General Light Industrial (110)	0.19	0.24

[1] Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip.

[2] In miles. Based on SANDAG data.

[3] The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.9 miles.

[4] Trips per dwelling unit or per 1,000 building square feet.

[5] The trip demand factor is the product of the trip adjustment factor and the trip rate.

Sources: San Diego Association of Governments, Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region, April 2002, Institute of Traffic Engineers, Trip Generation, 9th Edition; Willdan Financial Services.

Trip Growth

The planning horizon for this analysis is 2040. **Table 5.2** lists the 2018 and 2040 land use assumptions used in this study. The trip demand factors calculated in Table 5.1 are multiplied by the existing and future dwelling units and building square feet to determine the increase in trips caused by new development.

Table 5.2: Land Use Scenario and Total Trips

Land Use	Trip Demand Factor	2018 Units / 1,000 SF	2018 Trips	2040 Units / 1,000 SF	2040 Trips	Growth 2018 to 2040 Units / 1,000 SF	Growth 2018 to 2040 Trips
Residential							
Single Family	1.12	12,037	13,481	14,975	16,772	2,938	3,291
Multifamily	0.69	2,455	1,694	4,300	2,967	1,845	1,273
Subtotal		14,492	15,175	19,275	19,739	4,783	4,564
Nonresidential							
Commercial	1.53	2,242	3,431	3,785	5,792	1,543	2,361
Office	1.82	2,107	3,835	3,557	6,474	1,450	2,639
Industrial	0.24	122	29	207	50	84	21
Subtotal		4,472	7,295	7,549	12,316	3,078	5,021
Total			22,470		32,055		9,585
Share			70.1%		100.0%		29.9%

Sources: Tables 2.1 and 5.1; Willdan Financial Services

Project Costs and Allocation

Cost estimates for transportation facility projects are listed in **Tables 5.3 through 5.8,** by facility type. The City provided cost information current as of 2013, and Willdan adjusted the costs for inflation using changes in the Engineering News Record's Construction Cost Index (CCI).

The City also provided the allocation to new development for all of the projects listed in Tables 5.3, 5.4, 5.5 and 5.6. The allocation is based on the City's estimate of the need for each particular facility, allocated to new development and to existing development. The allocation to new development used in Table 5.7 is based on new development's share of total trip demand at the planning horizon, as identified in Table 5.2.

Table 5.3: Transportation Facilities Project List

Project Description	Limits	Total Project Cost (2018)[1]	Percent Allocated to DIF	Net DIF Allocation
Interchanges				
1-10 Interchange @ Date Palm Drive		$ 129,300	3.8%	$ 4,913
Street Widening				
Frank Sinatra/Bob Hope-Monterey (N/S)	1.00	$ 760,500	100.0%	$ 760,500
Bob Hope Drive/Frank Sinatra-Dinah Shore	2.00	4,095,100	100.0%	4,095,100
Monterey Verbenia-Clancy Lane	0.25	248,600	100.0%	248,600
Ramon Road NS/RR Bridge (Los Alamos)[2]	1.25	2,047,600	25.0%	511,900
Highway 111 /Blue Skies turn lane	N/A	76,100	100.0%	76,100
Dinah Shore Los Alamos-Bob Hope (E/B & W/B)	1.00	1,983,900	100.0%	1,983,900
Key Largo Extension & Overpass[2]	N/A	29,250,800	25.0%	7,312,700
Subtotal		$38,462,600		$ 14,988,800
Intersection Improvements				
Ramon Road/DaVall	N/A	$ 828,000	15.0%	$ 124,200
Ramon Road/near DaVall	N/A	855,300	50.0%	427,650
Bob Hope Drive/Dinah Shore	N/A	855,300	75.0%	641,475
Bob Hope Drive/Gerald Ford Drive	N/A	855,000	100.0%	855,000
Bob Hope Drive/Highway 111	N/A	414,000	100.0%	414,000
Frank Sinatra Drive/DaVall Drive	N/A	855,300	100.0%	855,300
Frank Sinatra Drive/Monterey Avenue	N/A	855,300	75.0%	641,475
Dinah Shore Drive/Monterey	N/A	828,700	25.0%	207,175
Dinah Shore Drive/Westin Driveive	N/A	828,700	100.0%	828,700
Dinah Shore Drive/Los Alamos	N/A	621,500	100.0%	621,500
Dinah Shore Drive/DaVall	N/A	828,000	75.0%	621,000
Gerald Ford Drive/DaVall	N/A	828,000	75.0%	621,000
Bob Hope Drive/Country Club Drive	N/A	855,300	100.0%	855,300
Subtotal	N/A	$10,308,400		$ 7,713,775
		$48,900,300		$ 22,707,488

[1] Based on 2013 costs, adjusted to 2018 using ENR's Construction Cost Index. Rounded to the nearest hundred.

[2] These projects are eligible for CVAG regional funding, but at a 75% participation rate when the project is ranked in the top 10% of regional projects. Until that time the City will need to fully fund the project. Future CVAG reimbursement agreements are executed should a project need to be constructed prior to achieving the top 10% ranking status.

Sources: City of Rancho Mirage General Plan; Engineering News Record's Construction Cost Index; Willdan Financial Services.

Table 5.4: Traffic Signals

Location	Cost (2018)	Allocation to New Development	Total Cost Allocated to New Development
Monterey Drive/Street E (Eagle)	$ 409,500	100%	$ 409,500
Gerald Ford Drive/Oasis	409,500	100%	409,500
Gerald Ford Drive/Vista Mirage	409,500	50%	204,750
Morningside Drive/Columbia Drive	409,500	100%	409,500
Ramon Road/Braille Insititute	351,000	100%	351,000
Bob Hope Drive/Clancy Lane	351,000	66%	231,660
Bob Hope Drive/ 1/2 mile North of Frank Sinatra	409,500	100%	409,500
Bob Hope Drive/Sec 19 "A" Street	409,500	50%	204,750
Bob Hope Drive/Sec 19 "C" Street	409,500	100%	409,500
Dinah Shore Drive/Section 19 Center Street	409,500	100%	409,500
Dinah Shore Drive/Section 19 Key Largo Avenue	409,500	100%	409,500
Key Largo Avenue/Section 19 "C" Street	409,500	100%	409,500
Key Largo Avenue/Section 19 "A" Street	409,500	100%	409,500
Sec. 19 Center Street/Sec. 19 "A" Street	409,500	100%	409,500
Country Club Drive/Morningside	351,000	100%	351,000
Da Vall Drive/McCallum	351,000	50%	175,500
Da Vall Drive/Palm Valley-Marywood School	351,000	75%	263,250
Da Vall Drive/Sunny Lane	351,000	50%	175,500
Frank Sinatra Drive/Vista del Sol	351,000	100%	351,000
Frank Sinatra Drive/Columbia Avenue	327,600	66%	216,216
Frank Sinatra Drive/Desert Island Drive	327,600	66%	216,216
Total - Traffic Signals	$ 8,026,200		$ 6,835,842

[1] Based on 2013 costs, adjusted to 2018 using ENR's Construction Cost Index. Rounded to the nearest hundred.

Sources: City of Rancho Mirage; Engineering News Record's Construction Cost Index; Willdan Financial Services.

Table 5.5: Landscaped Medians

Location	Length	Project Cost (2018)[1]	Allocation to New Development	Total Cost Allocated to New Development
Bob Hope/Dinah Shore to North Limit	1.00	$ 600,000	100%	$ 600,000
Dinah Shore/Bob Hope-Key Largo[2]	0.50	308,500	100%	308,500
Dinah Shore/Miriam-Key Largo[2]	0.25	154,200	50%	77,100
Gerald Ford Drive/Da Vall- Plumley	0.25	259,800	100%	259,800
Monterey/Dinah Shore-Gerald Ford[2]	0.25	154,200	33%	50,886
Monterey/North of Frank Sinatra[2]	0.50	300,000	50%	150,000
Monterey/Frank Sinatra-Country Club[2]	1.00	600,000	25%	150,000
Monterey/Hovely- South City Limit	1.00	1,039,300	50%	519,650
Ramon Road/ Da Vall-Railroad Bridge[2]	2.25	1,350,000	100%	1,350,000
Da Vall Drive/ Frank Sinatra-Gerald Ford	0.75	750,000	100%	750,000
Da Vall Drive/Dinah Shore-Ramon	1.00	1,039,300	100%	1,039,300
Total - Landscaped Medians	8.75	$ 6,555,300		$ 5,255,236

[1] Based on 2013 costs, adjusted to 2018 using ENR's Construction Cost Index. Rounded to the nearest hundred.
[2] Curb in place - Cost is for landscaping.

Sources: City of Rancho Mirage; Engineering News Record's Construction Cost Index; Willdan Financial Services.

Table 5.6: Bus Shelters

Location	Project Cost (2018)[1]	RW and Turnout Cost (2018)[1]	Total Cost	Allocation to New Development	Total Cost Allocated to New Development
Dinah Shore Drive/Plumley Road E/B	$ 70,200	$ -	$ 70,200	29.9%	$ 20,991
Dinah Shore Drive/Westin Mission Hills E/B	70,200	99,500	169,700	29.9%	50,743
Country Club Or/Vista del Sol Road E/B	70,200	-	70,200	29.9%	20,991
Country Club/John Sinn E/B	68,000	96,400	164,400	29.9%	49,158
Monterey Ave/Clancy Lane S/B	70,200	-	70,200	29.9%	20,991
Monterey Ave/Hovely SB	70,200	-	70,200	29.9%	20,991
Dinah Shore Drive/Home Depot E/B	70,200	-	70,200	29.9%	20,991
Plumley Road/Rebecca Way N/B	70,200	-	70,200	29.9%	20,991
Ramon Road/Rattler E/B	68,000	96,400	164,400	29.9%	49,158
Highway 111 /One Mirage Place W/B	70,200	-	70,200	29.9%	20,991
Highway 111 /Thunderbird Heights E/B	70,200	-	70,200	29.9%	20,991
Highway 111/Indian Trail E/B	70,200	-	70,200	29.9%	20,991
Highway 111/Mirage Cove W/B	70,200	117,000	187,200	29.9%	55,976
Highway 111 /Thunderbird Heights W/B	70,200	-	70,200	29.9%	20,991
Highway 111/Indian Trail W/B	70,200	-	70,200	29.9%	20,991
Highway 111/Magnesia Falls Drive E/B	70,200	-	70,200	29.9%	20,991
Total - Bus Shelters	$1,118,800	$ 409,300	$1,528,100		$ 456,928

1 Based on 2013 costs, adjusted to 2018 using ENR's Construction Cost Index. Rounded to the nearest hundred.

Sources: City of Rancho Mirage; Engineering News Record's Construction Cost Index; Willdan Financial Services.

Table 5.7: Pedestrian Facilities

Location	Length Miles	Length Ft	Project Cost (2018)
Highway 111 from Frank Sinatra to City Boundary E/B	0.40	2,112	$ 84,480
Highway 111 from Desert Drive to City Boundary E/B	0.05	264	10,560
Highway 111 from Paxton Drive to Country Club Drive W/B	0.75	3,960	158,400
Ramon Road from Los Alamos Road to City Boundary East W/B	0.95	5,016	200,640
Monterey Ave from Market Place Way to A St S/B	0.50	2,640	105,600
Monterey Ave from Gerald Ford Drive to Frank Sinatra Drive S/B	1.00	5,280	211,200
Monterey Ave from Verbenia Road to City Boundary S/B	1.20	6,336	253,440
Da Vall Drive from Via del Paradiso to Century Park Drive SN	0.10	528	21,120
Dinah Shore Drive from Bob Hope Drive to Miriam E/B	0.31	1,600	64,000
Dinah Shore Drive from Key Largo Ave to Bob Hope Drive W/B	0.50	2,640	105,600
Dinah Shore Drive from Bob Hope Drive to Los Alamos	1.14	6,000	273,000
Gerald Ford Drive from Bob Hope Drive to Monterey Ave E/B	1.00	5,280	211,200
Gerald Ford Drive from Oasis Way to Bob Hope Drive W/B	0.10	528	21,120
Gerald Ford Drive from Bob Hope Drive to Da Vall Drive E/B	0.20	900	36,000
Country Club Drive from Highway 111 to Sand Dune Road E/B	1.10	5,808	232,320
Country Club Drive from Sierra Madre Drive to Bob Hope Drive E/B	0.20	1,056	42,240
Country Club Drive from Vista Del Sol to John Sinn Road W/B	0.40	2,112	84,480
Frank Sinatra Drive Bridge Widening at Wolfson Park	0.02	900	1,890,000
Frank Sinatra Drive from Monterey Ave to Whitewater Wash W/B	3.10	16,368	654,720
Bob Hope Drive from Frank Sinatra Drive to Gerald Ford Drive SN	1.00	5,280	211,200
Bob Hope Drive from Via Marta to Victory Ln SN	0.30	1,584	63,360
Bob Hope Drive from Victory Ln to Dinah Shore Drive SN	0.20	1,056	42,240
Bob Hope Drive from Dinah Shore Drive to Ramon Road SN	0.85	4,488	179,520
Bob Hope Drive from Ramon Road to City Boundary SN	0.10	528	21,120
Bob Hope Drive from Gerald Ford Drive to Annenberg	0.50	2,600	104,000
Bob Hope Drive from Country Club Drive to Rancho Las Palmas Drive S/B	0.95	5,016	200,640
Bob Hope Drive from Avenida Las Palmas to Highway 111 S/B	0.15	792	31,680
Total	17.07	90,672	$ 5,513,880
Allocation to New Development			29.9%
Total Cost Allocated to New Development			$ 1,648,746

Note: Calculations assumes 8' wide sidewalk (6' wide on bridges)

Sources: City of Rancho Mirage; nearmap.

Fee per Trip Demand Unit

Every impact fee consists of a dollar amount, or the cost of projects that can be funded by a fee, divided by a measure of development. In this case, all fees are first calculated as a cost per trip demand unit. Then these amounts are translated into housing unit (fee per dwelling unit) and employment space (fee per 1,000 square feet) by multiplying the cost per trip by the trip generation rate for each land use category. These amounts become the fee schedule.

Table 5.8 calculates the cost the cost per trip by dividing the total project costs attributable to new development from Tables 5.3 through 5.7, by the total growth in trips calculated in Table 5.2.

Table 5.8: Cost per Trip to Accommodate Growth

Costs Allocated to New Development	
Interchanges	$ 4,913
Street Widening	14,988,800
Intersection Improvements	7,713,775
Traffic Signals	6,835,842
Landscaped Medians	5,255,236
Bus Shelters	456,928
Pedestrian Facilities	1,648,746
Total	$ 35,255,495
Growth in Trip Demand	9,585
Cost per Trip	$ 3,678

Sources: Tables 5.2 - 5.7.

Fee Schedule

Table 5.9 shows the maximum justified transportation facilities fee schedule. The proposed fees are based on the costs per trip shown in Table 5.8. The cost per trip is multiplied by the trip demand factors in Table 5.1 to determine a fee per unit of new development. The total fee includes a two percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. It should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 5.9: Transportation Facilities Impact Fee

Land Use	A Cost Per Trip	B Trip Demand Factor	C = A x B Base Fee[1]	D = C x 2.0% Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential						
Single Family	$ 3,678	1.12	$ 4,119	$ 103	$ 4,222	
Multifamily	3,678	0.69	2,538	63	2,601	
Nonresidential						
Commercial	$ 3,678	1.53	$ 5,627	$ 141	$ 5,768	$ 5.77
Office	3,678	1.82	6,694	167	6,861	6.86
Industrial	3,678	0.24	883	22	905	0.91

[1] Persons per dwelling unit or per 1,000 square feet of nonresidential.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 5.1 and 5.8; Willdan Financial Services.

6. Parks and Recreation Facilities

The purpose of the parkland and park facilities impact fee is to fund the park facilities needed to serve new development. The maximum justified impact fee is presented based on the existing plan standard of parkland and park facilities per capita.

Service Population

Park and recreation facilities in Rancho Mirage primarily serve residents. Therefore, demand for services and associated facilities is based on the City's residential population. **Table 6.1** shows the existing and future projected service population for park and recreation facilities.

Table 6.1: Parks Service Population

	Residents
Existing (2018)	18,700
Growth (2018 - 2040)	6,873
Total (2040)	25,573

Source: Table 2.1.

Existing Parkland and Park Facilities Inventory

The City of Rancho Mirage maintains several park and recreation facilities throughout the city. **Table 6.2** summarizes the City's existing parkland inventory in 2018. All facilities are located within the City limits. In total, the inventory includes a total of 31.30 acres of developed parkland.

Table 6.2: Park Land Inventory

Name	Acreage
Blixseth Mountain Park	15.00
Rancho Mirage Community Park	9.90
Rancho Mirage Dog Park	4.00
Wolfson Park	1.70
Cancer Survivors Park	0.70
Total - Parkland	31.30

Source: City of Rancho Mirage.

Parkland and Park Facilities Unit Costs

Table 6.3 displays the unit costs necessary to develop parkland in Rancho Mirage. The City estimates that it costs $400,000 per acre to develop an acre of parkland in Rancho Mirage. A value of $468,000 per acre for land acquisition is also included, and is consistent with other land assumptions used in this analysis. In total, this analysis assumes that it costs $868,000 to acquire and develop an acre of parkland in Rancho Mirage.

Table 6.3: Park Facilities Unit Costs

	Cost Per Acre	Share of Total Costs
Land Acquisition	$468,000	54%
Improvements	400,000	46%
Total Cost per Acre	$868,000	100%

Sources: Loopnet.com; Willdan Financial Services.

Parkland and Park Facility Standards

Park facility standards establish a reasonable relationship between new development and the need for expanded parkland and park facilities. Information regarding the City's existing inventory of existing parks facilities was obtained from City staff.

The most common measure in calculating new development's demand for parks is the ratio of park acres per resident. In general, facility standards may be based on the Mitigation Fee Act (using a city's existing inventory of parkland and park facilities), or an adopted policy standard contained in a master facility plan or general plan.

Mitigation Fee Act

The Mitigation Fee Act does not dictate use of a particular type or level of facility standard for public facilities fees. To comply with the findings required under the law, facility standards must not burden new development with any cost associated with facility deficiencies attributable to existing development.[1] A simple and clearly defensible approach to calculating a facility standard is to use the City's existing ratio of park acreage per 1,000 residents. Under this approach, new development is required to fund new parkland and park facilities at the same level as existing residents have provided those same types of facilities to date.

City of Rancho Mirage Parkland and Park Facilities Standards

Table 6.4 shows the existing standard for improved park acreage per 1,000 residents based on the type of parkland. In total the City has an existing parkland standard of 1.67 acres per 1,000 residents. The fee analysis in this report will be based on maintaining a 1.67 acre per 1,000 service population standard as new development adds demand for parks in Rancho Mirage. This report

[1] See the *Benefit* and *Burden* findings in *Background Report*.

does not modify the City's existing *Quimby* parkland dedication ordinance. The fees calculated here are only applicable to development not occurring in subdivisions.

Table 6.4: Existing Parkland Standard

	Calculation	
Total Park Acreage	*A*	31.30
Service Population (2018)	*B*	18,700
Existing Standard (Acres per 1,000 Residents)	*C = (A / (B / 1,000))*	1.67

Sources: Tables 6.1 and 6.2; Willdan Financial Services.

Facilities Needed to Accommodate New Development

Table 6.5 shows the park facilities needed to accommodate new development at the existing standard. To maintain the standard by the planning horizon new development must fund the purchase and improvement of 11.48 parkland acres, at a total cost of nearly $10 million.

Table 6.5: Park Facilities to Accommodate New Development

		Land	Improvements	Total
Facility Needs				
Facility Standard (acres/1,000 service population)	*A*	1.67	1.67	1.67
Growth in Service Population	*B*	6,873	6,873	6,873
Facility Needs (acres)	*C =(B/1,000) x A*	11.48	11.48	11.48
Parkland				
Average Unit Cost (per acre)	*D*	$ 468,000	$ 400,000	$ 868,000
Total Cost of Facilities	*E = C x D*	**$5,372,640**	**$ 4,592,000**	**$ 9,964,640**

Note: Totals have been rounded to the thousands.

Sources: Tables 6.1, 6.3, and 6.4; Willdan Financial Services.

Parks Cost per Capita

Table 6.6 shows the cost per capita of providing new parkland and park facilities at the existing facility standard. The cost per capita is shown separately for land and improvements. First, the per acre unit costs are multiplied by the acreage standards to determine the total amount of costs needed to serve 1,000 residents for each type of parkland, respectively. Then, those costs are divided by 1,000 to determine the cost needed to serve one resident.

Table 6.6: Park Facilities Investment Per Capita

	Land	Improvements	Total
Parkland Investment (per acre)	$ 468,000	$ 400,000	$ 868,000
Facility Standard (acres per 1,000 service pop.)	1.67	1.67	1.67
Total Investment Per 1,000 capita	$ 782,000	$ 668,000	$ 1,450,000
	1,000	1,000	1,000
Investment Per Capita	$ 782	$ 668	$ 1,450

Sources: Tables 6.3, and 6.5; Willdan Financial Services.

Use of Fee Revenue

The City plans to use parkland and park facilities fee revenue to purchase parkland or construct improvements to add to the system of park facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development.

Fee Schedule

In order to calculate fees by land use type, the investment in park facilities is determined on a per resident basis for both land acquisition and improvements. These investment factors (shown in Table 6.6) are investment per capita based on the unit cost estimates and facility standards.

Table 6.7 shows the park and recreation facilities impact fee for based on the existing standard. The investment per capita is converted to a fee per dwelling unit based on the occupancy density factors in Table 2.2. Note that this report does not modify the City's existing *Quimby* parkland dedication ordinance. The fees calculated here are only applicable to development not occurring in subdivisions. The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

Table 6.7: Park and Recreation Facilities Impact Fee

Land Use	*A* Cost Per Capita	*B* Density	*C = A x B* Base Fee[1]	*D = C x 2.0%* Admin Charge[1, 2]	*E = C + D* Total Fee[1]
Residential					
Single Family	$ 1,450	1.19	$ 1,726	$ 35	$ 1,761
Multifamily	1,450	0.95	1,378	28	1,406

[1] Fee per dwelling unit.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 6.6; Willdan Financial Services.

7. Library Facilities

The following chapter documents the nexus analysis demonstrating the need for new library facilities to serve new development.

Service Population

Library facilities in Rancho Mirage primarily serve residents. Therefore, demand for services and associated facilities are based on the City's residential population. **Table 7.1** shows the existing and future projected service population for library facilities.

Table 7.1: Library Facilities Service Population

	Residents
Existing Service Population (2018)	18,700
New Development (2018-2040)	6,873
Total (2040)	25,573

Source:Table 2.1; Willdan Financial Services.

Existing Library Facilities

The amount of existing library facilities that the City owns will be used to inform the facility standards in this analysis. **Table 7.2** summarizes the City's existing library facility inventory. Only facilities owned by the City are included in the inventory.

Table 7.2: Existing Library Facilities Inventory

	Inventory	Units	Unit Cost		Value
Library - 71-100 Highway 111					
Land	9.40	acres	$ 468,000	$	4,399,200
Building	37,596	Sq. Ft.	250		9,395,400
Observatory					4,200,000
Total Value of Existing Facilities				$	17,994,600

Sources: Loopnet.com; An Insurance Valuation Report of Tangible Property Assets for City of Rancho Mirage as of March 11, 2015; City of Rancho Mirage; Willdan Financial Services.

Cost Allocation

Table 7.3 calculates the existing cost per capita facility standard by dividing the value of the existing facilities inventory by the existing service population. The resulting cost per capita is the basis of

the impact fee. Funding facilities at this level will ensure that as development occurs, new development will contribute to library facilities at the same standard that existing development has contributed thus far. By definition, using the existing standard methodology does not result in existing deficiencies.

Table 7.3: Library Facilities Existing Standard

Value of Existing Facilities	$	17,994,600
Existing Service Population		18,700
Facility Standard per Resident	$	962

Sources: Tables 7.1 and 7.2; Willdan Financial Services.

Fee Revenue Projection

Table 7.4 shows the projected fee revenue. The fee will generate $6.6 million through 2040. The City can use library facilities fee revenues for the cost to expand capacity at existing facilities and construction or purchase of buildings, land, collections and related library equipment that are part of the system of library facilities serving new development.

Table 7.4: Library Facilities Impact Fee Revenue - Existing Standard

Cost per Resident	$	962
Growth in Service Population		6,873
Projected Impact Fee Revenue	$	6,611,826

Sources: Tables 7.1 and 7.3.

Fee Schedule

Table 7.5 shows the maximum justified library facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit densities (persons per dwelling). The total fee includes a two percent (2%) administrative charge to fund costs that include: a standard overhead charge applied to City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge is not an impact fee; rather, it is a user fee. It should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 7.5: Library Facilities Fee - Existing Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.025 Admin Charge[1, 2]	E = C + D Total Fee
Residential					
Single Family	$ 962	1.19	$ 1,145	$ 29	$ 1,174
Multifamily	962	0.95	914	23	937

[1] Fee per dwelling unit.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2.2 and 7.3.

8. Infrastructure Undergrounding

The following chapter documents the nexus analysis demonstrating the need for infrastructure undergrounding to serve new development.

Infrastructure Undergrounding Demand

The City is planning to underground fiber internet lines to serve the entire City, including projected new development. All new development within the City will benefit from the fiber internet underground. Consequently, all fiber internet accounts from existing and new development comprise the demand for fiber internet undergrounding. **Table 8.1** displays the projected increase in fiber internet connections in Rancho Mirage. For residential development, each dwelling unit is assumed to be one connection. For nonresidential development, each business is assumed to be one connection. The 2018 estimate of potential nonresidential connections is based on the number of business licenses issued within City limits. The 2040 estimate of potential connections is based on maintaining existing ratio of nonresidential building square feet to business licenses.

Table 8.1: Fiber Internet Undergrounding Demand

	2018	2040	Growth (2018 to 2040)
Fiber Connections			
Residential[1]			
Single Family	12,037	14,975	2,938
Multifamily	2,455	4,300	1,845
Subtotal	14,492	19,275	4,783
Nonresidential[2]	758	1,280	522
Total - Fiber Connections	15,250	20,555	5,305

[1] Assumes one connection per dwelling unit.

[2] Assumes one connection per business license. 2018 estimate based on business licenses issued within City limits. 2040 estimate based on maintaining existing ratio of nonresidential building square feet to business licenses.

Sources: City of Rancho Mirage; Table 2.1, Willdan Financial Services.

Project Costs

Table 8.2 displays the cost of fiber internet undergrounding. Cost estimates were provided by City staff. In total, the City projects a cost of $5.6 million for fiber internet undergrounding through buildout.

Table 8.2: Citywide Fiber Internet Undergrounding Costs

	Cost per Foot	Linear Feet	Total
Fiber Internet	$ 30	186,120	$ 5,583,600
Total			$ 5,583,600

Source: City of Rancho Mirage.

Fee per Connection

Table 8.3 calculates a infrastructure undergrounding fee per internet connection, applicable to both residential and nonresidential development. The total cost of fiber internet undergrounding along is divided by total projected fiber internet connections in 2040 to determine the fee per connection.

The total fee includes an administrative charge to fund costs that include: (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting and mandated public reporting.

Table 8.3: Infrastructure Undergrounding Fee

Cost of Planned Undergrounding	$	5,583,600
Total Connections - 2040		20,555
Base Fee per Connection[1]	$	272
Administrative Charge		5
Total Fee	$	277

[1] One connection per dwelling unit or per business.

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 8.1 and 8.2.

9. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public hearing. Data, such as an impact fee report, must be made available at least 10 days prior to the public hearing. The City's legal counsel should be consulted for any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect.

Inflation Adjustment

The City should keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. There are no automatic inflation adjustments – the City Council must act to adopt inflation adjustments by resolution. We recommend the following:

- The City's impact fee ordinance should annually calculate an inflation adjustment to the fees based on changes in inflation indices (see recommended indices below).
- The City Council should annually review the adjusted impact fees and adopt the adjustments to ensure the fee program adequately recovers new development's fair share of facilities.

We recommend that the following indices be used for adjusting fees for inflation:

- Buildings – Engineering News-Record's Construction Cost Index (CCI)
- Equipment – Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

The indices recommended can be found for local jurisdictions (state, region), and for the nation. With the exception of land, we recommend that the national indices be used to adjust for inflation, as the national indices are not subject to frequent dramatic fluctuations that the localized indices are subject to.

Due to the highly variable nature of land costs, there is no particular index that captures fluctuations in land values. We recommend that the City adjust land values based on recent land purchases, sales or appraisals at the time of the update.

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available.

The steps necessary to update fees for inflation are explained below:

For all of the fee categories except the park facilities fees, the steps are as follows:

1. For each facility type (land, buildings, vehicles/equipment), identify the percent change in facility value since the last update, based on changes in each inflation index or for each type of land.
2. Modify the value of each facility, existing and planned (if applicable) by the percent change identified in Step 1.

3. Depending on fee methodology for each particular fee category calculate the total value of existing facilities (existing inventory method), or the value of existing facilities plus planned facilities (system plan method) using the updated figures from Step 2.
4. Recalculate the cost per capita for each fee category by dividing the results of Step 3 by either the existing service population if the fee is calculated using the existing inventory method, or by the future service population is the fee is calculated using the system plan methodology. Both the existing and future service populations are identified in the first table of every chapter in this report.
5. Calculate the cost per worker (if applicable) for fee categories that are charged to nonresidential development. The cost per worker is equal to the cost per capita calculated in Step 4 multiplied by the worker weighting factor identified in each chapter.
6. Update the fee schedule by multiplying the cost per capita and the cost per worker calculated in Step 5 by the density factors listed in Table 2.2 to determine the base fee for each land use.

To update the park facility fees for inflation, the steps are as follows:

1. For each facility type (land, improvements), identify the percent change in facility value since the last update, based on changes in each inflation index or for each type of land.
2. Modify the value of land acquisition and improvements shown in Table 6.6 by the percent change identified in Step 1.
3. Using Table 6.6 as a guide, recalculate the cost per resident using the adjusted values for land acquisition and improvements calculated in Step 2
4. Update the fee schedule by multiplying the costs per capita calculated in Step 3 by the density factors listed in Table 2.2 to determine the base fee for each land use. The total fee for a given land use is equal to the cost per capita for land (from step three) multiplied by the occupant density, added to the cost per capita for improvements (also from step three) multiplied by the occupant density. See Table 6.7 for reference.

Once all of the fees have been inflated, multiply the sum of all the fees, per land use, by two percent (2%) to determine the administrative charge. Future updates to the fee program should review the administrative fee to ensure that it fully covers the cost of administering the fee program.

Reporting Requirements

The City should comply with the annual and five-year reporting requirements of the *Mitigation Fee Act*. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important. **Table 9.1** summarizes the annual and five-year requirements of the *Act*.

Table 9.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code Section	Timing	Reporting Requirements[1]	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) An identification of an approximate date by which the construction of the public improvement will commence. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

[1] Edited for brevity. Refer to the government code for full description.

Sources: CA Government Code sections 66001.(d) and 66006.(b).

Programming Revenues and Projects with the CIP

The City maintains a Capital Improvement Program (CIP) to plan for future infrastructure needs. The CIP identifies costs and phasing for specific capital projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The City may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the City's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

Credits and Reimbursements

This section discusses recommended credit and reimbursement policies and procedures. Credits and reimbursements are granted to developers that build and dedicate facilities included in one of the City's fee programs. Credits are given for the cost of dedicated facilities up to the amount of the developer's impact fee obligation. If the cost of the dedicated facilities is greater than the fee obligation, then the developer can be reimbursed for that additional amount from future fee revenues generated by other development projects.

Recommendations

The City should adopt administrative guidelines to memorialize credit and reimbursement procedures. Based on Willdan's experience with impact fee programs in other jurisdictions, we recommend the following with regards to credits and reimbursements policies:

- Fund credits and reimbursements based on CIP priorities - An approach used successfully by other agencies is to fund credits and/or reimbursements based on the phasing of projects in the most recently adopted CIP. If a CIP project proposed to be built and dedicated by a developer is scheduled to be constructed within, say, 12 to 24 months of the credit or reimbursement application then the request would be funded immediately because the City was planning to complete the project in the short term. If the CIP project is scheduled at a later date, then the credit and/or reimbursement would be funded at that time. A less stringent policy would have credits funded during the fiscal year when the application was made while reimbursements are subject to the CIP phasing constraint described above.
- Allow credits against a developer's fee obligation as long as the request is submitted at least 90 days prior to issuance of the building permit.
- The City will fund reimbursements only as part of the annual budget process.
- An application for reimbursement must be submitted by December 1 to be eligible for funding in the following fiscal year.
- The value of credits and reimbursements shall be based on the cost of the facility as estimated in the most recent technical report upon which the fee is calculated.
- Credits are only granted against, and reimbursements are only funded by, that component of the overall fee that is allocated to the type of capital project being built and dedicated.
- No interest is paid on credits or reimbursements.

10. Mitigation Fee Act Findings

Public facilities fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act,* contained in *California Government Code* Sections 66000 through 66025*,* establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

The five statutory findings required for adoption of the public facilities fees documented in this report are presented in this chapter and supported in detail by the preceding chapters. All statutory references are to the *Act.*

Purpose of Fee

- *Identify the purpose of the fee (§66001(a)(1) of the Act).*

Development impact fees are designed to ensure that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to provide a funding source from new development for capital improvements to serve that development. The fees advance a legitimate City interest by enabling the City to provide public facilities to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be used to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City's sphere of influence. Fees addressed in this report have been identified by the City to be restricted to funding the following facility categories: general government facilities, fire facilities, transportation facilities, parks recreation facilities, library facilities and infrastructure undergrounding facilities.

Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

The City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings and vehicles used to serve new development. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under *the Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. For each facility category, demand is measured by a single facility standard that can be applied across land use types to ensure a reasonable relationship to the type of development. For most facility categories service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted less than one resident based on an analysis of the relative use demand between residential and non-residential development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 2, Growth Forecasts provides a description of how service population and growth forecasts are calculated. Facility standards are described in the *Facility Standards* sections of each facility category chapter.

Proportionality

- *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Growth Forecasts,* or the *Service Population* sections in each facility category chapter for a description of how service populations or other factors are determined for different types of land uses. See the *Fee Schedule* section of each facility category chapter for a presentation of the proposed facilities fees.

Appendix A

Table A.1 Vehicle Inventory

Unit #	Year	Make	Model	Replacement Cost
AN01	2008	Ford	F-250	$ 35,000
BS01	2008	Ford	Explorer	21,400
BS02	2018	Toyota	Tacoma 4X4	27,000
BS03	2008	Ford	Ranger	-
BS04	2018	Toyota	Tacoma 4X4	27,000
BS05	2018	Toyota	Tacoma 4X4	27,000
CC01	2013	Ford	Cmax	24,000
CC02	2014	Ford	F-150 Crew 4X4	35,000
CC03	2015	Ford	F-150 Crew 4X4	35,000
CC04	2015	Ford	F-150 Crew 4X4	35,000
CP01	2017	Ford	Explorer	35,000
CP02	2017	Ford	Explorer	35,000
CP03	2000	Ford	Crown Vic	24,000
CP05	2016	Ford	Explorer	30,100
ES01	2007	MQ	Generator	-
ES02	2006	Wells	Cargo	3,000
ES03	2006	Wells	Cargo	3,000
ES04	2007	Wells	Cargo	3,000
ES05	2007	Wells	Cargo	3,000
ES06	2012	Haulmark	Cargo	3,000
ES07	2012	Ford	F-450	60,000
ES08	2012	Carson	Cargo	3,000
FL05	2009	Honda	Civic - Hybrid	-
FL06	2002	Ford	Explorer	35,000
FL08	2013	Ford	Cmax	24,000
FL10	2015	Ford	Van-Transit 150	35,000
FL11	2013	Ford	Cmax	24,000
FL14	2004	Ford	F-150	35,000
FL15	2013	Ford	Cmax	24,000
FM04	2007	Ford	F350	40,000
FM05	2007	Ford	F350	40,000

Source: City of Rancho Mirage.

Table A.1 Vehicle Inventory Continued

Unit #	Year	Make	Model	Replacement Cost
FM09	2008	Ford	F-350	$ 40,000
FM10		Takeuchi	Tb0616	-
FM11	2004	Vermeer	Chipper	80,000
FM13	2000	EZ-GO	Golf Cart	-
FM14	2016	Ford	F350	40,000
FM15	2002	Ford	Explorer	-
FM16	2008	Ford	Ranger	-
IN02	2007	Ford	Explorer 4X4	21,400
SH01	2007	Wells	Cargo	3,000
SH07	2008	Ford	F-250	-
SH08	2011	Honda	Motorcycle	-
SH09	2011	Honda	Motorcycle	-
SH10	2016	Carson	Mcycle -Trailer	-
SH11	2016	BMW	Motorcycle	-
ST04	2001	Ford	F-350 Crew Cab	-
ST05	2001	Freightliner	Fl70 Hd -Water	50,000
ST06	2003	Ford	F-350 Crane	40,000
ST07	2007	Freightliner	M2106 Dump	120,000
ST08		Caterpillar	27513	-
ST09	1992	Sullair	Compressor	-
ST10	1996	Ford	5450 Frontloader	-
ST11	2010	Ford	F-350 4X4	40,000
ST12	2010	Ford	F-350	40,000
ST13	1984	Zieman	Trailer	3,000
ST15	2001	Big Tex	Trailer	3,000
ST17	2007	Ford	Ranger	35,000
ST18	2001	Smart	Speed Trailer	-
ST19	2014	Ford	F450	43,900
ST20	2014	Caterpillar	930K Loader (BIG)	-
ST21	2016	Broce	Sweeper Broom	53,000
TS01	2007	Ford	F350	-
TS02	2002	Ford	F-550 Bucket	-
TS03	2004	Ford	F-150	-
TS04	2016	Ford	F-350	34,100
Total Replacement Cost				$ 1,693,900

Source: City of Rancho Mirage.

Appendix Table A.2: Land Sales Comparisons

Street Address	City	State	Postal Code	Sale Price	Size in Acres	Cost per acre	Sale Date
4 Sierra Vista Drive	Rancho Mirage	CA	92270	$ 650,000	0.59	$ 1,101,712	07/24/2017
2 Sierra Vista Drive	Rancho Mirage	CA	92270	850,000	0.86	988,362	06/21/2017
7 Sterling Ridge Drive	Rancho Mirage	CA	92270	539,000	0.53	1,016,972	06/01/2017
6 Mirada Circle	Rancho Mirage	CA	92270	500,000	0.59	847,471	05/24/2017
46 Sky Ridge Road	Rancho Mirage	CA	92270	860,000	0.65	1,323,077	05/03/2017
1 Sunny Lane	Rancho Mirage	CA	92270	255,000	0.35	728,571	04/11/2017
71947 Desert Drive	Rancho Mirage	CA	92270	500,000	5.06	98,814	04/07/2017
1 W Mountain Vista Court	Rancho Mirage	CA	92270	575,000	1.00	575,000	03/08/2017
93 Royal Saint Georges Way	Rancho Mirage	CA	92270	270,000	0.53	509,430	02/27/2017
95 Royal Saint Georges Way	Rancho Mirage	CA	92270	130,100	0.50	260,200	02/27/2017
70600 Country Club Drive	Rancho Mirage	CA	92270	40,000	0.18	222,217	02/27/2017
71 Royal Street	Rancho Mirage	CA	92270	500,000	1.19	420,171	02/23/2017
70600 Country Club Drive	Rancho Mirage	CA	92270	50,000	0.18	272,727	01/09/2017
Total				$ 5,719,100	12.21		
Weighted Average Cost per Acre						$ 468,267	

Note: Excludes sales of properties greater than 25 acres, and properties with existing structures.

Source: Loopnet.com.